

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-02514A
Quail Creek Water Company
9532 E. Riggs Rd.
Sun Lakes, AZ 85248

RECEIVED

MAY 15 2008

AZ CORP COMM
Director Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2007
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FOR COMMISSION USE

ANN 04	07
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PROCESSED BY:

5-16-08

SCANNED

6-3-08

COMPANY INFORMATION

Company Name (Business Name) Quail Creek Water Company, Inc.

Mailing Address 9532 E. Riggs Rd.
(Street)

Sun Lakes
(City)

AZ
(State)

85248
(Zip)

(480) 895-9200

Telephone No. (Include Area Code)

(480) 895-4347

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address _____

Local Office Mailing Address 1425 N. Quail View
(Street)

Green Valley
(City)

AZ
(State)

85614
(Zip)

(520) 825-3423

Local Office Telephone No. (Include Area Code)

(520) 825-0712

Fax No. (Include Area Code)

(520) 932-5887

Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: James Poulos
(Name)

General Manager
(Title)

9532 E. Riggs Rd.
(Street)

Sun Lakes
(City)

AZ
(State)

85248
(Zip)

(480) 895-9200

Telephone No. (Include Area Code)

(480) 895-4347

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address _____

On Site Manager: Ed MacMeans
(Name)

40,004 S. Ridgeview Blvd Tucson
(Street) (City)

AZ
(State)

85739
(Zip)

(520) 825-5515

Telephone No. (Include Area Code)

(520) 825-0712

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address _____

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: James Hubbard

(Name)

9532 E. Riggs Rd.

(Street)

San Lakes

(City)

AZ

(State)

85248

(Zip)

(480) 895-9200

Telephone No. (Include Area Code)

(480) 895-4347

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Attorney: Marty Aronson

(Name)

One E. Camelback

(Street)

Phoenix

(City)

AZ

(State)

85012

(Zip)

(602) 263-2972

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☒ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME

Quail Creek Water Company

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises	37,295	28,220	9,075
303	Land and Land Rights	92,895	Ø	92,895
304	Structures and Improvements	9,740	2,639	7,101
307	Wells and Springs	171,162	129,350	41,812
311	Pumping Equipment	103,469	92,314	11,155
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	182,133	85,707	96,426
331	Transmission and Distribution Mains	1,593,919	312,465	1,281,454
333	Services	365,193	21,239	343,954
334	Meters and Meter Installations	78,856	5,391	73,465
335	Hydrants	204,659	24,112	180,547
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	60,226	32,781	27,445
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	2,999,547	734,218	2,165,329

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME Quail Creek Water Company

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises	37,295	4.00 %	1,492
303	Land and Land Rights	92,895		
304	Structures and Improvements	9,740	4.78 %	466
307	Wells and Springs	171,162	4.27 %	7,303
311	Pumping Equipment	103,469	2.82 %	2,913
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	182,133	2.52 %	4,593
331	Transmission and Distribution Mains	1,593,919	2.05 %	32,692
333	Services	365,193	1.68 %	6,125
334	Meters and Meter Installations	78,856	1.81 %	1,430
335	Hydrants	204,659	1.92 %	3,933
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	60,226	7.90 %	4,755
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	2,899,547	2.27 %	65,702

This amount goes on the Comparative Statement of Income and Expense _____
Acct. No. 403.

COMPANY NAME *Quail Creek Water Company*

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 72,443	\$ 26,732
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	60,677	56,314
146	Notes/Receivables from Associated Companies	8,616	82,606
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	2,997	4,336
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 144,733	\$ 169,988
	FIXED ASSETS		
101	Utility Plant in Service	\$ 2,592,620	\$ 2,899,547
103	Property Held for Future Use		
105	Construction Work in Progress	43,189	43,189
108	Accumulated Depreciation – Utility Plant	(668,517)	(734,218)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 1,967,292	\$ 2,208,518
	TOTAL ASSETS	\$ 2,112,025	\$ 2,378,506

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME *Quail Creek Water Company*

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 7,271	\$ 16,341
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	370,189	332,901
236	Accrued Taxes	46,478	55,093
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	1,038	
	TOTAL CURRENT LIABILITIES	\$ 424,976	\$ 404,335
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax	137,606	153,141
	TOTAL DEFERRED CREDITS	\$ 137,606	\$ 153,141
	TOTAL LIABILITIES	\$ 562,582	\$ 557,476
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 3,500	\$ 3,500
211	Paid in Capital in Excess of Par Value	695,896	695,896
215	Retained Earnings	850,047	1,121,634
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 1,549,443	\$ 1,821,030
	TOTAL LIABILITIES AND CAPITAL	\$ 2,112,025	\$ 2,378,506

COMPANY NAME Quail Creek Water Company

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 652,530	\$ 708,625
460	Unmetered Water Revenue		
474	Other Water Revenues	10,717,485 10,743	10,743
	TOTAL REVENUES	\$ 10,717,485 670,015	\$ 719,368
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 66,060	\$ 55,630
610	Purchased Water		
615	Purchased Power	50,726	54,070
618	Chemicals	3,606	1,023
620	Repairs and Maintenance	13,950	17,425
621	Office Supplies and Expense		
630	Outside Services	18,700	18,700
635	Water Testing	15,957	16,212
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability	4,967	4,916
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	16,913	17,474
403	Depreciation Expense	60,677	65,702
408	Taxes Other Than Income		
408.11	Property Taxes	17,640	22,141
409	Income Tax	162,387	188,480
	TOTAL OPERATING EXPENSES	\$ 431,583	\$ 461,773
	OPERATING INCOME/(LOSS)	\$ 238,432	\$ 257,595
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 4,815	\$ 10,013
421	Non-Utility Income	2,693	3,979
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(3,077)	
	TOTAL OTHER INCOME/(EXPENSE)	\$ 4,431	\$ 13,992
	NET INCOME/(LOSS)	\$ 242,863	\$ 271,587

COMPANY NAME Quail Creek Water Company

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ 332,901

Meter Deposits Refunded During the Test Year \$ 53,868

COMPANY NAME <i>Quail Creek Water Company</i>	
Name of System:	ADEQ Public Water System Number:

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-608597	75	425	459	16	8	1952
55-608522	125	675	2,000	20	8	1974

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
20	3	126	
40	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
750,000	2	13,000	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME Quail Creek Water Company
Name of System: ADEQ Public Water System Number:

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS		
Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC	360
5		
6	PVC	44,299
8	PVC	25,524
10		
12	PVC	20,787
6	DIP	321
21	PVC	4,225

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 X 3/4	
3/4	1,508
1	129
1 1/2	4
2	7
Comp. 3	1
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

STRUCTURES:

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: <u>Quail Creek Water Company</u>	
Name of System:	ADEQ Public Water System Number:

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2007

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	1,589	9,381	9,956	Ø
FEBRUARY	1,594	9,248	9,544	Ø
MARCH	1,596	10,332	11,269	Ø
APRIL	1,600	12,051	12,306	Ø
MAY	1,604	12,269	12,933	Ø
JUNE	1,614	23,779	24,343	Ø
JULY	1,614	19,428	19,317	Ø
AUGUST	1,623	10,400	11,913	Ø
SEPTEMBER	1,633	12,229	13,641	Ø
OCTOBER	1,632	11,312	13,433	Ø
NOVEMBER	1,639	12,459	17,078	Ø
DECEMBER	1,641	7,978	11,099	Ø
TOTALS →		150,866	166,832	Ø

Well 20 < .002 mg/L
Well 21 < .002 mg/L

What is the level of arsenic for each well on your system? _____ mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? 1,250 GPM for 2 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
☒ Yes () No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
☒ Yes () No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
() Yes ☒ No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Quail Creek Water Company YEAR ENDING 12/31/2007

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2007 was: \$ 19,888.63

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

THIS CHECK IS VOID WITHOUT A GREEN & BLUE BORDER AND BACKGROUND PLUS A KNIGHT & FINGERPRINT WATERMARK ON THE BACK - HOLD AT ANGLE TO VIEW	
JPMorgan Chase Bank, N.A. 201 N Central Ave Dept 383 Phoenix, AZ 85038	
91-2/1221	
300994	
QUAIL CREEK WATER COMPANY	
9532 E Riggs Rd Sun Lakes, AZ 85248-7411	
Pay	
EIGHT THOUSAND SEVEN HUNDRED NINETY FOUR AND 30/100 *****	
Dollars	
To The Order Of: BETH FORD, PIMA COUNTY TREASURER P O BOX 98765 PHOENIX AZ 85038-0765	
SIGNATURE AREA CONTAINS A KNIGHT & FINGERPRINT CHECK WORDING	
300994 1221000240841 5331 0000879430	
ABSENCE OF PINK U.S. PATENT NUMBERS UNDER SIGNATURE INDICATES CHECK IS FRAUDULENT. PATENT NUMBERS ARE PRINTED WITH HEAT SENSITIVE INK & WILL DISAPPEAR WHEN BLOWING OR RUBBING	

[illegible]

<u>Location</u>	<u>Acct #</u>	<u>Original Acct #</u>	<u>Check #</u>	<u>Original Check #</u>	<u>Amount</u>	<u>Original Amount</u>	<u>Issue Date</u>	<u>Paid Date</u>
CD	8415331	8415331	300994	300994	\$8,794.30	\$8,794.30		4/23/2007
<u>Original Paid Date</u>	<u>Sequence</u>			<u>Customer Data</u>	<u>Bank #</u>	<u>Original R/T Number</u>	<u>GL Category</u>	<u>CD VolID/CIMS Key</u>
4/23/2007	2310449073				601	601		20070430337201
<u>CD Label</u>	<u>Process Control</u>							
20070430337201								

THIS CHECK IS VOID WITHOUT A GREEN & BLUE BORDER AND BACKGROUND PLUS A KNIGHT & FINGERPRINT WATERMARK ON THE BACK - HOLD AT ANGLE TO VIEW

QUAIL CREEK WATER COMPANY

9532 E Riggs Rd
Sun Lakes, AZ 85248-7411

JPMorgan Chase Bank, N.A.
201 N Central Ave. Dept 383
Phoenix, AZ 85038

91-21221

301081

Pay

Date	Amount
10/23/07	\$****11,094.33

ELEVEN THOUSAND NINETY FOUR AND 33/100 *****

Dollars

To **BETH FORD, PIMA COUNTY TREASURER**
The **P O BOX 29011**
Order **PHOENIX AZ 85038-9011**
Of

Paul R.

SIGNATURE AREA CONTAINS A KNIGHT & FINGERPRINT CHECK WORDING

11301081 112210002410841 5331

10001109433

ABSENCE OF PINK U.S. PATENT NUMBERS UNDER SIGNATURE INDICATES CHECK IS FRAUDULENT. PATENT NUMBERS ARE PRINTED WITH HEAT SENSITIVE INK & WILL DISAPPEAR WHEN BLOWING OR RUBBING

THIS CHECK ALSO CONTAINS THE FOLLOWING SECURITY FEATURES
which are covered under U.S. Patents 5,531,707, 5,575,508, 5,691,183.

[illegible]

18-26-97 1000-100 same GAY OF AMERICA INC
1221017064 E2211 94 P06
10/26/97

★
KNIGHT™
FINGERPRINT

4-1
FINGERPRINT

DO NOT WRITE, STAMP OR SIGN BELOW. RESERVED FOR FINANCIAL INSTITUTION USE

FACSIMILE OF KNIFE IN	FACSIMILE OF FINGERPRINT
-----------------------	--------------------------

<u>Location</u>	<u>Acct #</u>	<u>Original Acct #</u>	<u>Check #</u>	<u>Original Check #</u>	<u>Amount</u>	<u>Original Amount</u>	<u>Issue Date</u>	<u>Paid Date</u>
CD	8415331	8415331	301081	301081	\$11,094.33	\$11,094.33		10/29/2007
<u>Original Paid Date</u>	<u>Sequence</u>			<u>Customer Data</u>	<u>Bank #</u>	<u>Original R/T Number</u>	<u>GL Category</u>	<u>CD VolID/CIMS Key</u>
10/29/2007	2310008128				601	601		20071031136901
<u>CD Label</u>	<u>Process Control</u>							
20071031136901								

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

RECEIVED

MAY 15 2008

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF Arizona
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	<u>Maricopa</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>James L. Poulos - General Manager</u>
COMPANY NAME	<u>Quail Creek Water Company</u>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

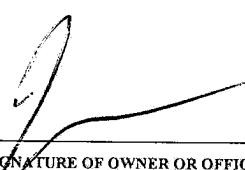
MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



SIGNATURE OF OWNER OR OFFICIAL

(480) 895-9200

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF



MY COMMISSION EXPIRES 8/1/2008

COUNTY NAME	<u>Pinal</u>
MONTH	<u>May</u> <u>2008</u>

Veronica Cabbage

SIGNATURE OF NOTARY PUBLIC

COMPANY NAME Quail Creek Water Company YEAR ENDING 12/31/2007

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>419,608</u>
Estimated or Actual Federal Tax Liability	<u>142,667</u>

State Taxable Income Reported	<u>434,550</u>
Estimated or Actual State Tax Liability	<u>30,279</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u> </u>
Amount of Gross-Up Tax Collected	<u> </u>
Total Grossed-Up Contributions/Advances	<u> </u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE

 5-8-08

DATE

James Ponlos
PRINTED NAME

General Manager
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

MAY 15 2008

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>Maricopa</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>James L. Ponlos - General Manager</u>
COMPANY NAME	<u>Quail Creek Water Company</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2007 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 779,797

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 58,879
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST
INCLUDE SALES TAXES BILLED OR
COLLECTED. IF FOR ANY OTHER REASON,
THE REVENUE REPORTED ABOVE DOES NOT
AGREE WITH TOTAL OPERATING REVENUES
ELSEWHERE REPORTED, ATTACH THOSE
STATEMENTS THAT RECONCILE THE
DIFFERENCE. (EXPLAIN IN DETAIL)**

SIGNATURE OF OWNER OR OFFICIAL

(480) 895-9200

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

8th
(SEAL)



OFFICIAL SEAL
VERONICA CABBAGE
NOTARY PUBLIC - STATE OF ARIZONA
PINAL COUNTY
My Comm. Expires August 1, 2008

COUNTY NAME

Pinal

May

2008

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES

8/1/2008

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE**
Intrastate Revenues Only

RECEIVED

MAY 15 2008

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <i>Maricopa</i>	
NAME (OWNER OR OFFICIAL) <i>James Poulos</i>	TITLE <i>General Manager</i>
COMPANY NAME <i>Quail Creek Water Company</i>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2007 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 624,980

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 45,982
IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

SIGNATURE OF OWNER OR OFFICIAL

(480) 895-9200

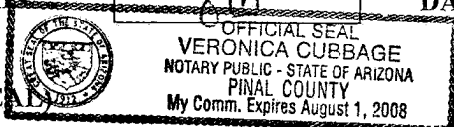
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 8th DAY OF

(SEAL)



MY COMMISSION EXPIRES

8/1/2008

NOTARY PUBLIC NAME <i>Veronica Cubbage</i>	
COUNTY NAME <i>Pinal</i>	
MONTH <i>May</i>	YEAR <i>2008</i>

X

Veronica Cubbage

SIGNATURE OF NOTARY PUBLIC